



February 9, 2021

The Honourable Chrystia Freeland
Deputy Prime Minister and Minister of Finance
Department of Finance
90 Elgin Street
Ottawa, Ontario
K1A 0G5

Sent via: Chrystia.Freeland@parl.gc.ca; budget2021@canada.ca

Re: OMSSA's 2021 Federal Pre-Budget Submission

Dear Deputy Prime Minister Freeland,

Thank you for the opportunity to provide consultation on the 2021 federal budget. The Ontario Municipal Social Services Association (OMSSA) is a non-profit association whose members are Ontario's Consolidated Municipal Service System Managers (CMSMs) and District Social Services Administration Boards (DSSABs). This includes:

- 37 Consolidated Municipal Service Managers (CMSMs), or upper and single-tier municipalities across Ontario
- 10 District Social Services Administration Boards (DSSABs) in areas where no upper-tier municipality exists in Northern Ontario

OMSSA's members are represented by senior human services staff, who are governed by local municipal councils or a board of directors, representing urban, suburban, rural and Northern communities across the province.

Ontario's 47 Service System Managers partner with the Province to fund and deliver social assistance, employment supports, child care, early years and children's services, homelessness prevention, community housing, long-term care and emergency social services in communities across Ontario.

OMSSA's members collaborate regularly with local public health units, school boards, non-profits and local service providers within their communities. Our members support strong local service system management in collaboration with our provincial and federal partners. Collectively, OMSSA members bring decades of technical expertise and experience to the table.



Support for Municipalities

According to the Association of Municipalities of Ontario (AMO), Ontario's municipalities take in a collective \$51 billion in annual revenues, of which \$41 billion is self-sourced, primarily from property taxes and user fees. Collectively, Ontario's municipalities receive \$1.6 billion in federal grants and \$8.5 billion in provincial grants annually.

In Ontario, core social services like income support, children's services and social housing are planned, managed and co-funded by Ontario's 47 Service System Managers. According to AMO, 27 per cent of aggregate municipal operations budgets go to services that are conventionally considered a provincial responsibility in most other Canadian jurisdictions. This includes child care, public health, social assistance and community housing.

According to AMO's figures, municipal expenditures on health services, social housing, and social and family services exceeded total provincial grants by more than \$3 billion. Municipal governments collect only 9 cents of each household tax dollar, compared to 47 cents for the federal government and 44 cents for the provincial government. It is impossible for Ontario municipalities to fund its growing list of responsibilities on property tax revenue alone. Ontario municipalities require additional support from both the provincial and federal governments.

OMSSA calls on both the provincial and federal governments to increase investment in municipal governments to support the delivery of vital services to residents. Additional support from the federal government is needed in mental health, housing, child care, transportation, infrastructure, climate change and access to broadband. The municipal level of government has been on the front lines responding to the COVID-19 pandemic and there will be no economic recovery without supporting Canada's local governments following this emergency.

Early Years and Child Care

Child care is becoming increasingly unaffordable for parents and families. Ontario families are paying from \$750 to \$1,700 per month for child care and of the Canadian cities with the highest child care costs, 8 of the top 10 are in Ontario.

Investing in child care is crucial to the economy. Public investment in early years and child care has a multiplying or "ripple" effect of positive economic benefits. In Ontario, the multiplying effect of investing in child care is approximately 2.27, meaning that every dollar invested in child care results in an economic output of \$2.27. Affordable child care can help boost women's workforce participation, with significant economic benefits. Mothers with young children are currently contributing an estimated \$53 billion per year to the Canadian economy.



OMSSA fully supports plans for a national, universal child care program and encourages the federal government to work with the Ontario government on a national early years and child care program that includes a strong role for Ontario's Service System Managers and local flexibility to meet the unique needs of Ontario's urban, suburban, rural and Northern communities.

OMSSA is also encouraged by the federal government's desire to invest in before and after school child care services, to expand hours of operation and to reduce child care fees by 10 per cent. OMSSA supports Ontario and Canada signing the Canada-Ontario Early Learning and Child Care Agreement.

Expanding child care spaces for the 0-4 year-old age group is critical and continues to be significantly under-served. It is these early years that are most critical to children's physical, emotional and social development, including resiliency and the early development of soft skills for success in future job markets. In Ontario, there are far more spaces for school-age children than for our youngest and most vulnerable children. While we support the mandate to increase school age-spaces, we need to sustain the current investment of the bi-lateral agreement in child care for children ages 0 to 4.

The Canada Child Benefit has been a success, lifting over 300,000 of children out of poverty and reducing child poverty by 40% from 2013 to 2017. This demonstrates the importance of child care to the economy and poverty reduction efforts. At the same time, more is needed to increase capacity to ensure parents can access quality programming, affordable spaces and make the choice to enroll in licensed child care in Ontario that promotes early learning.

Coordinating federal, provincial and local efforts in early years and child care is crucial to building a strong early years and child care system in Ontario and across Canada. As a result of the pandemic, many child care providers have been forced to close or suspend operations. Federal, provincial and local support and cooperation is required to ensure the sustainability of the sector. The federal government should work with the Province of Ontario to reduce unnecessary administration and reporting that has become a burden for Service System Managers.

OMSSA believes that investing in early years and child care is crucial to making life more affordable, promoting workforce economic development and the ensuring the health and safety of Canadians. A universal, national early years and child care program would also help bridge the gender gap in the economy and help lift Canadians out of poverty. OMSSA supports the federal government's desire to increase investment in early years and child care to improve access and affordability in all Canadian communities. OMSSA members stand ready to partner with the federal and provincial governments to finally make this dream a reality in Canada.

Housing and Homelessness

Ontario's Service System Managers are responsible for managing more than 260,000 affordable housing units, representing a combined \$40-billion asset. According to the latest available figures, the waiting list for rent-geared-to-income housing in Ontario has grown to more than 170,000 people, with little new development to address increasing demand on the system.

OMSSA's members are also focused on supporting and housing victims of domestic violence, human trafficking and ending chronic homelessness through a housing first approach. The federal government has promised to invest \$132 billion in infrastructure. As the federal and provincial governments pursue infrastructure investment, increasing community housing supply across Canada should be a key infrastructure priority.

According to estimates from the Association of Municipalities of Ontario (AMO) on funding sources for community housing in Ontario (2017-2018), municipal Service System Managers pay 58 per cent of the cost of community housing, compared to 26 per cent for the federal government and 16 per cent for the provincial government. Most of the community housing stock in Ontario is between 20 and 50 years old, with a significant backlog of needed repairs costing close to \$1.5 billion. As pressure increases with end of operating agreements and end of mortgage agreements, there is an urgent need to invest in community housing to maintain and expand existing stock.

OMSSA believes now is a crucial time for the federal government to step up and support the community housing sector in Canada with enhanced federal funding. To build back better, Canadians need access to affordable and community housing. To ensure a strong post-COVID recovery, investing in traditional and social infrastructure will be crucial to creating jobs, ensuring access to services and improving quality of life for Canadians in all communities. An investment in community housing is essential to any economic stimulus following the COVID-19 pandemic.

Our members have expressed concerns around the application process, as well as administrative and reporting burdens associated with the National Housing Strategy. These barriers pose challenges for smaller housing providers who are eager to move forward with their projects. Rural and Northern communities have expressed concerns that the scoring criteria reduces the chances their projects will be approved and funded. OMSSA members believe efforts should be made to streamline the application and reporting process to encourage participation in the National Housing Strategy. Local flexibility is also required to ensure that all communities and Canadians can benefit from the National Housing Strategy.

OMSSA believes all levels of governments should collaborate with the goal of ending chronic homelessness before 2025. Concerns have been raised by rural and Northern service



managers that they are in some cases shut out of the National Housing Strategy Co-Investment Fund, the Canada Lands Agreement program, the Reaching Home program, the Home for Good program and the Rapid Housing Initiative. All communities experience poverty and homelessness and it is important to extend these programs to smaller and Northern communities in addition to large urban centres.

Many municipalities in Ontario are facing challenges around affordability, rental vacancy rates, shelter capacity and long, growing wait lists for community housing, supportive housing and long-term care. According to the latest data from the Ontario Rental Housing Index, 46 per cent of rental households in Ontario are paying more than 30 per cent of their income on rent and more than one in five are putting more than 50 per cent of their income towards rent.

The issue of housing affordability is a top concern of Canadians. All levels of government must work together to address housing affordability in Canada. OMSSA welcomes the agreement between Canada and the Province of Ontario on the new Canada-Ontario Housing Benefit that will provide funding directly to households. However, our members have concerns around rental vacancies and the lack of rental supply in most Ontario communities.

To address low vacancy rates, OMSSA members believe the federal government should prioritize increasing supply of affordable rental stock in communities across Canada. OMSSA also calls on the federal government to review the Canada Mortgage and Housing Corporation's methodology in determining Average Market Rents (AMR) for remote and rural communities. These rental costs are often understated compared to the real cost of rent in these areas. This has an impact on housing allowances, housing benefits and housing rent supplements administered by Ontario's Service System Managers.

Housing first is a crucial component in reducing poverty and homelessness across Canada, but supportive services have proven to be the key component to ensuring a successful housing first model in all Ontario communities. OMSSA calls on the federal and provincial governments to make significant investments in mental health services and implement a national strategy to ensure all individuals in Canada have timely access to supportive services close to where they live. OMSSA encourages the federal government to further invest in supportive housing as a means of preventing homelessness and to provide support for those suffering from mental health and addictions issues.

OMSSA also supports a national urban Indigenous housing strategy and encourages the federal government to consult and engage with Indigenous peoples to move forward on this initiative as soon as possible.

An aging population in Ontario and across Canada places additional pressures on multiple levels of government to meet increased demand for long-term care beds and health care services. As



population demographics change, OMSSA believes it is important for the federal, provincial and local governments to be proactive in addressing the increased demand for services.

Social Assistance and Employment

Federal social assistance and programs have been vital to support Canadians and the economy during the COVID-19 pandemic. Unfortunately, Canada and Ontario are experiencing a second wave and the pandemic is still present in urban, suburban, rural and Northern communities across Ontario. Many areas remain in lockdown and the current crisis requires ongoing financial assistance from the federal government.

OMSSA encourages the federal and provincial government to negotiate another round of the Safe Restart Agreement to support Canadian municipalities with their COVID-19 response for the remainder of 2021. These funds were vital to reducing poverty, preventing homelessness, supporting emergency child care and to continuing to providing human services to vulnerable Canadians in municipalities across Ontario.

The Canadian Emergency Relief Benefit (CERB) expired and was replaced with an enhanced Employment Insurance and Canada Relief Benefit in September. These programs are due to expire for many Canadians. At the same time, the Canada Revenue Agency will be collecting associated taxes for these programs in April and the economy still has a long way to recovery.

The federal government cannot allow these benefits to expire at a time when it is especially challenging for recipients to find employment and generate income to support themselves and their family. OMSSA encourages the federal government to extend these benefits for the remainder of 2021 to allow for Canada to defeat COVID-19, provide vaccinations and work towards building back better. Failure to extend these benefits would result in less benefits for people and new costs for the province as people transition to Ontario Works and the Ontario Disability Support Program (ODSP).

To avoid a “K-shaped recovery” and ensure an inclusive economic recovery, investments in skills training and employment supports are needed to transition those unemployed to the new economy. The pandemic has cost many Canadians their jobs and made some industries and sectors obsolete. Women, lower income workers and youth have been hit especially hard by job losses and business closures related to the COVID-19 pandemic.

Broadband

The pandemic has forced businesses and governments to rely on technology and the ability to get online. Unfortunately, as the economy and services move digital, many communities do not have significant access to broadband and cellular service. To ensure all Canadians can participate in



the new digital economy and have access to online services, it is important to fully invest in a national broadband strategy. OMSSA calls on the provincial and federal governments to build on their investments in broadband and connect Canada through this vital service. Today broadband is as crucial as utilities such as electricity, water, natural gas, telephone and cable.

Poverty Reduction

Ontario's 47 Service System Managers have been working to develop local housing and homelessness plans. Many municipalities have also developed their own poverty reduction strategies. The provinces and the federal government are also working on poverty reduction strategies. OMSSA members are willing to share information on best practices, local needs and unique circumstances to work collaboratively with our federal and provincial partners to address the complex issues around poverty.

It is important for all levels of government to coordinate their efforts and work together on poverty reduction and reducing homelessness. OMSSA would like to provide input on issues such as housing, homelessness prevention, child care, social assistance, employment, affordable transportation, food security, education, mental health, addictions and improving the social determinants of health outcomes in all communities.

All three levels of government have a responsibility to collaborate on reducing and eliminating poverty and homelessness in communities across Ontario and Canada. In recent years, much progress has been made at the municipal level, but this progress is at risk due to the ongoing pandemic. There is an opportunity to build on the success of the Canada Child Benefit and to move closer to eliminating poverty and homelessness in Ontario and Canada. OMSSA and its members are ready to collaborate with the federal and provincial governments to improve outcomes for vulnerable populations across all Canadian communities.

Emergency Social Services and Climate Change

Ontario Service Managers have seen increased incidents of flooding, forest fires, blizzards and extreme weather events across Ontario. This often results in the need to provide emergency social services at the local level. To help reduce the costs and impacts of climate change, OMSSA requests that the federal government support local municipalities with efforts to adapt to climate change and also to reduce emissions as part of the green recovery. Assistance in retrofitting community housing and municipal buildings would go a long way towards helping Canada reach its climate change targets as part of the Paris Accord.



Mental Health, Long-Term Care and Public Health

The lack of access to mental health and addictions supports in many Ontario communities is a major barrier in addressing life stabilization, homelessness and poverty reduction. Mental health is as important as physical health, but many are facing long wait times or a lack of access to services in their communities. The opioid crisis has had a significant impact on large and small communities across Ontario and has become an urgent problem across Ontario and Canada.

OMSSA and its members are also concerned about the effects of Post-Traumatic Stress Disorder (PTSD) on front-line caseworkers, emergency medical services (EMS) and emergency social services workers. Given the challenges faced on their jobs, it is important to consider the mental health and wellness of municipal employees working in all Canadian communities.

OMSSA encourages the federal government to create a national mental health and addictions strategy and provide funding to provincial governments to address these urgent issues and to ensure Canadians have access to vital services in the communities where they live.

A significant portion of COVID-19 deaths have happened in long-term care settings across Ontario and Canada. OMSSA would support national standards and increased federal support to address issues in long-term care that have been neglected for decades.

During the COVID-19 pandemic, we have seen clearly the value of public health and health prevention. Investing in public health and health prevention would reduce costs to the overall health system and result in a healthier population in local communities across Canada.

The pandemic and aging population is putting extreme pressure on Canada's health care system. All provinces, communities and housing are struggling with capacity issues and increasing costs resulting from the global pandemic. All of Canada's Premiers have called for increases to the federal healthcare transfers to the provinces. OMSSA supports these calls to fill the funding gaps in health and human services within Ontario and Canada.

Commitment to Equity and Social Justice

OMSSA supports policies that seek to eliminate discrimination, systematic racism and bias based on gender, race, religion and sexual orientation. OMSSA has the goal of promoting equity and social justice in health and human services to ensure all Canadians are treated with respect and prosper within local communities.



Truth and Reconciliation

The federal government is committed to moving forward in partnership with Indigenous Peoples to ensure they are in control of their own destinies and making decisions about their communities. OMSSA supports Truth and Reconciliation and strong partnerships and consultation with organizations such as the Assembly of First Nations (AFN), the Ontario Federation of Indigenous Friendship Centres (OFIFC), Ontario Aboriginal Housing Services (OAHS) and Ontario Native Welfare Administrators Association (ONWAA).

It is important that all levels of government move forward on the Truth and Reconciliation recommendations. All governments must acknowledge their responsibilities and honour promises made to Canada's Indigenous population and work towards truth and reconciliation.

Investing in People Makes Sense

A study published in the Canadian Medical Association Journal compared funding for health care and social services from 1981 to 2011. They found that average per capita spending for health was \$2,900, almost three times the \$930 per capita spending for social services. The study suggests if governments had spent one more cent on social services for every dollar spent on health, life expectancy in this country could have increased by another 5 per cent and avoidable mortality could have dropped an additional 3 per cent.

To address common challenges related to economic development, the social determinants of health, infrastructure renewal, transportation, broadband access, early learning, poverty reduction, housing, homelessness and Indigenous partnership and reconciliation, OMSSA and its members believe a new modern federal-provincial-municipal partnership is required to address joint responsibilities in human services and housing. OMSSA is interested in participating in municipal-provincial-federal tables and intergovernmental forums designed to coordinate national, provincial and local efforts in poverty reduction, homelessness, social assistance, mental health, early learning, child care, public health, long-term care and the National Housing Strategy.

Investing in human services is critical to the health and safety of Canadians. It is also important to support lower income Canadians who want to join the middle class. OMSSA wants to see access to quality human services in all Canadian communities. Expanded community housing, child care and mental health services are urgently needed in urban, suburban, rural and Northern communities across Canada.

The federal government believes a strong economy starts with a strong middle class. The best way to grow the middle class is to invest in people and in communities. A universal, national early years and child care plan for example, is crucial to Canada's economic recovery post-pandemic. A housing first strategy and goal to end chronic homelessness by 2025 helps ensure nobody is left



behind as a result of the pandemic. Extending social assistance benefits and investing in skills development and training will help people who lost their jobs due to no fault of their own transition and prepare for the future job market and economy of tomorrow. To build back better, it makes sense to invest in our greatest asset, our people.

Partnership with the Federal Government

OMSSA fully supports the 2021 Federal Budget Submission from the Federation of Canadian Municipalities (FCM).

OMSSA values our relationship with the federal government, including our partnership with the Canada Mortgage and Housing Corporation (CMHC) on the National Housing Strategy. OMSSA shares a strong relationship with our colleagues in the Ontario Public Service and appreciates the opportunity to consult on federal-provincial priorities impacting local delivery of social assistance, poverty reduction, housing, homelessness, child care and public health services.

Local governments face many challenges delivering vital services to their residents. Support and collaboration from all levels of government is required to find solutions to major challenges facing Canada and its communities. This is especially true during the COVID-19 pandemic and as the population ages. Additional pressures are being placed on health and human services budgets. There have also been economic consequences that have impacted budgets for the federal, provincial and municipal level of government. All three levels of government share the same tax base and priority of building strong local communities across Canada.

Ontario's model of human services delivery is unique within Canada. In most provinces, provincial governments are solely responsible for services such as social assistance, social housing, child care, paramedic services, public health and others. In Ontario, the provincial and municipal levels of government share responsibilities for human services integration, social assistance, employment services, child care and early years services, community housing, homelessness, poverty reduction, community safety and public health. It is crucial that the federal government consider Ontario's unique health and human services model when designing national programs.

Ontario's Service System Managers bring more than 20 years' experience in outcomes-focused, integrated social services delivery to the table and they know their communities best. It's crucial that Service System Managers be engaged and leveraged as partners in the design of social policy and programs impacting local government, from the outset. This is especially true when the municipality is funding the program, as is the case in Ontario with community housing.

Program design must have the flexibility to account for the unique circumstances and challenges of urban, rural, suburban, large, small, remote and northern communities, rather than employing a one-size-fits-all approach. To expand and maintain quality human services in Ontario, Service



System Managers also require adequate, consistent, long-term funding. Provincial governments require additional resources in health and human services to support local efforts in this area.

OMSSA appreciates the municipal supports already delivered by the federal government through the Safe Restart Agreement and looks forward to future investments in the coming federal budget that will help people and communities get through the COVID-19 crisis and build back better once it is behind us. The pandemic has forced federal, provincial and local governments to work together to respond to the biggest emergency in our lifetimes.

OMSSA looks forward to building on that collaboration and partnership in the years ahead. We wish you all the best in preparing the 2021 budget and appreciate your consideration of our 2021 budget priorities.

Sincerely,

Doug Ball
Executive Director
OMSSA

Dan McCormick
President
OMSSA